COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

Boston Edison Company, Cambridge Electric Light Company, Commonwealth Electric Company, d/b/a NSTAR Electric	)	**D.T.E. 03-121**

ATTORNEY GENERAL'S SECOND SET OF DOCUMENT AND INFORMATION REQUESTS TO NSTAR ELECTRIC

AG-2-1 Please provide redlined copies of all tariffs the Company submitted as exhibit NSTAR-HCL-10.

AG-2-2 Please refer to Exhibit NSTAR-HSP-1, page 2, lines 12 and 13. Please provide copies of all documents relating to Dr. Parmesano's appearances before regulatory authorities on the issue of standby or backup rate design for distributed generation.

AG-2-3 Refer to Exhibit NSTAR-HSP-1, p. 6, lines 8-20. Please describe how a distribution company should design special contract provisions, including eligibility requirements, and rates that would reflect "the value of the DG project on the network." Would these terms require special metering and communications equipment? How would these customers' costs and revenues be incorporated in rates of other distribution customers? Would the special contract rates for distribution service (delivery and customer related services) reflect a discount or in anyway be lower than the rates charged to non-DG customers of the same size (kW/kVa)? Please explain, in detail, what you would recommend as design guidelines/principles for these types of contracts. To the extent Dr. Parmesano has participated in the development or design of such contracting guidelines or such contracts, please provide copies of these documents (excluding confidential data).

AG-2-4 Has Dr. Parmesano presented testimony supporting a fully allocated (to discrete customer classes) embedded cost of service study to be used in the design of electric utility rates? If yes, please provide a copy of the study, the related testimony and the related regulatory commission orders.

AG-2-5 Has Dr. Parmesano presented testimony supporting a marginal cost of service study or studies to be used in the design of electric utility rates? If yes, please provide a copy of the studies, the related testimony and the related regulatory commission orders.

AG-2-6 Refer to Refer to Exhibit NSTAR-HSP-1, p. 10, lines 3-5. If transmission costs are an issue in this case, how would you incorporate transmission costs into the standby rates? Is Dr. Parmesano familiar with the Companies' transmission rate structure and that it collects all transmission costs (for both regional service and local service provided by the Companies' own transmission facilities) from its retail customers on fully reconciled cost pass through basis? If yes, does the Companies' transmission rate structure affect how standby rates should be designed? If yes, how?

AG-2-7 Refer to Refer to Exhibit NSTAR-HSP-1, p. 10, lines 21-23. Please explain, in detail, why substation costs may be appropriately collected through "time differentiated charges based on use." Discuss how these facilities are "expanded as needed." Include the time frame needed to "expand" these facilities. Does Dr. Parmesano consider substation costs variable costs?

AG-2-8 Has Dr. Parmesano reviewed the Companies' cost of service studies used to develop the current distribution rates? Based on Dr. Parmesano's understanding of the costs included in each distribution rate element, are the Company's standby rates, as originally proposed, cost based?

AG-2-9 Dr. Parmesano makes the distinction between the proposed standby tariffs for generators of at least 1MW and smaller DG customers. She differentiates these categories by characterizing the 1MW standby rate as incorporating a monthly charge per kW of contract demand for all non-customer-related distribution costs and characterizing the standby rate proposal for small DG customers as having "a combination of contract demand charges (for local distribution facilities costs) and monthly peak demand charges (for local distribution substation costs). See page 13 of Exhibit NSTAR-HSP-1. Is it Dr. Parmesano's opinion that this is the most appropriate rate design for standby rates or only appropriate in this case? If the later, please explain how standby rates should be designed, ideally.

AG-2-10 What is Dr. Parmesano's opinion regarding interruptible rates for DG customers? How should interruptible rates be designed for the Companies? What specific eligibility requirements should be incorporated in such tariffs? Has Dr. Parmesano participated in the design of tariffs or contracts for interruptible distribution service? If yes, please describe the circumstances and the result of such efforts.

AG-2-11 Refer to Exhibit NSTAR-HCL-7, page 15, lines 16-21. Did the Company consider phasing-in all DG or generating customers on to the proposed rates? If not, why? If yes, why did it decide to permanently grandfather these customers? Please explain based on the differentiation between large DG (>1MW) and small DG (<1MW>60kW).

AG-2-12 Refer to Exhibit NSTAR-HCL-7, pages 17-18. Is it Mr. LaMontagne's opinion that demand ratchets are inappropriate for transmission rates? Please explain.

AG-2-13 Refer to Exhibit NSTAR-HCL-7, page 21. Please provide documentation that the allocation of sub-station costs used in the revised standby rates is consistent with the allocation of these costs to the affected classes based on the Companies' cost of service studies from the last base rate cases.

AG-2-14 Does Mr. LaMontagne agree with Dr. Parmesano's testimony that substation costs should be collected through time differentiated charges based on use? (Exhibit NSTAR-HSP-1, page 10) If not, please explain any differences in opinion?

AG-2-15 Does Mr. Salamone agree with Dr. Pamesano's testimony that substation costs should be collected through time differentiated charges based on use? (Exhibit NSTAR-HSP-1, page 10) If not, please explain any differences in opinion?

AG-2-16 Refer to Refer to Exhibit NSTAR-HSP-1, pp. 10-11, lines 21-23. Has any NSTAR electric company conducted any study or analyses of its distribution sub-stations (account 361 and 362 plant) to confirm that the conditions described in Dr. Parmesano's testimony as exemptions to the as-used cost recovery rate design principal **do not** exist? If yes, please provide all such studies and explain whether these results may be considered representative of other service areas.

AG-2-17 Refer to Refer to Exhibit NSTAR-HCL-7, pp. 28-29. Please explain how the Company has billed customers under the SB-1 and MS-1 tariffs. Were customers billed transition charges and charge for first kVA block? If not, please explain how the Company accounted for the lost transition revenue.

AG-2-18 Refer to Refer to Exhibit NSTAR-HCL-7, p. 29. Please explain how Mr. LaMontagne determined that 20% was an appropriate threshold to incorporate in the Companies' modified rate proposal. Include all supporting documentation, calculations and assumptions.